**Section 1250.30 Director's Authority**

a) For purposes of making a determination of an insurer's financial condition under this Part, the Director may:

1) Disregard any credit or amount receivable resulting from transactions with a reinsurer that is insolvent, impaired or otherwise subject to a delinquency proceeding;

2) Make adjustments, including disallowances, to asset values attributable to investments in or transactions with parents, subsidiaries or affiliates, in keeping with current professional practices consistent with NAIC accounting practices and procedures;

3) Refuse to recognize the stated value of accounts receivable if the ability to collect the receivables is highly speculative in view of the age of the account or the financial condition of the debtor;

4) Increase the insurer's liability in an amount equal to any contingent liability, pledge, or guarantee not otherwise included if there is a substantial risk that the insurer will be called upon to meet the obligation undertaken within the next 12 month period;

5) Increase the company's reserves for losses, loss adjustment expenses, or unearned premium or any other liability to reflect adjustments recommended by the Department's financial examiners or actuaries or by the person preparing the statement of actuarial opinion as required by Section 136 of the Code and in keeping with the current professional practice stated in the NAIC Annual Statement Instructions for Property and Casualty Insurers;

6) Make any other appropriate adjustment to the company's assets and liabilities necessary to reflect the insurer's financial condition.

b) If the Director determines that the continued operation of the insurer licensed to transact business in this State may be hazardous to its policyholders, creditors or the general public, the Director may, upon a determination, issue an order requiring the insurer to take any of the actions listed in this subsection (b). If the insurer is a foreign insurer, the Director's order may be limited to the extent provided by statute. The order may require the insurer to:

1) reduce the total amount of present and potential liability for policy benefits by reinsurance;

2) reduce, suspend or limit the volume of business being accepted or renewed;

3) reduce general insurance and commission expenses by specified methods;

4) increase the insurer's capital and surplus;

5) suspend or limit the declaration and payment of a dividend by an insurer to its stockholders or to its policyholders;

6) file reports, in a format acceptable to the Director, concerning the market value of an insurer's assets;

7) limit or withdraw from certain investments or discontinue certain investment practices to the extent the Director deems necessary;

8) document the adequacy of premium rates in relation to the risks insured;

9) file, in addition to regular annual statements, interim financial reports on the form adopted by NAIC or in a format promulgated by the Director;

10) correct corporate governance practice deficiencies and adopt and utilize governance practices acceptable to the Director;

11) provide a business plan to the Director in order to continue to transact business in this State;

12) notwithstanding any other provision of law limiting the frequency or amount of premium rate adjustments, adjust rates for any non-life insurance product written by the insurer that the Director considers necessary to improve the financial condition of the insurer;

13) disapprove the payment of any ordinary dividend or other distribution to shareholders;

14) take any other action the Director deems to be remedial.

c) An insurer subject to an order under subsection (b) may request a hearing to review that order. The notice of hearing shall be served upon the insurer pursuant to Section 186.1(5) and (6) of the Code.

(Source: Amended at 36 Ill. Reg. 869, effective January 3, 2012)